GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:844
ANSWERED ON:17.08.2007
OPENING OF BANK BRANCHES LN RURAL AREAS
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Will the Minister of FINANCE be pleased to state:

(a): the criteria adopted for opening a bank in rural areas; and

(b): the number of blanches of banks opened in rural areas during the last three years, State-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI PAWAN KUMAR BANSAL)

(a): Under the extant branch Authorisation Policy, banks are encouraged to open branches in rural and under-banked areas, keeping in view factors such as the nature and scope of banking facilities provided by the banks to common persons, actual credit flow to the Priority Sector, need for promoting financial inclusion , introduction of appropriate new products and enhanced use of technology for delivery of banking services.

Assessment of new bank branch authorization by RBI inter-alia includes policy on minimum balance requirement , access of depositors to minimum banking or `no frills` banking services, commitment to the l:asic banking activity like acceptance of deposits and provision of credit and quality of customer leu-vices and existence of appropriate grievance redressal mechanism in place in the applicant bank . Trie branch authorization policy of RBI also aims to induce enhanced competition in the tanking sector at various locations.

(b): State-wise detals regarding the number of branches of the Scheduled Commercial Banks opened in rurail areas during the last three years are given in Annexure.

Annexure

State-wise details regarding number of branches of Scheduled Commercial Banks opened in rural areas during the years 2004-05, 2005-06 & 2006-07:

S.No.	Name of the State/UT	2004-05	2005-06	2006-07
1	Andaman & Nicobar	-	-	-
2	Andhra Pradesh	7	5	12
3	Arunachal Pradesh	-	-	-
4	Assam	2	4	1
5	Bihar	2	1	6
6	Chandigarh	-	-	-
7	Chhattisgarh	-	-	-
8	Dadra & Nagar Haveli	-	-	-
9	Daman & Diu	-	-	-
10	Delhi	-	-	2
11	Goa	3	3	5
12	Gujarat	2	4	14
13	Haryana	2	7	15
14	Himachal Pradesh	4	9	13
15	Jammu & Kashmir	7	6	1
16	Jharkhand	-	1	3
17	Karnataka	8	10	16
18	Kerala	3	3	3
19	Lakshdweep	-	-	-
20	Madhya Pradesh	1	-	-
21	Maharashtra	1	2	15
22	Manipur	-	-	-
23	Meghalaya	1	1	1
24	Mizoram	-	-	1
25	Nagaland	-	-	-
26	Orissa	3	5	7
27	Puducherry	-	-	2
28	Punjab	5	4	11

29	Rajasthan	2	3	5
30	Sikkim	1	-	1
31	Tamil Nadu	5	5	14
32	Tripura	-	-	-
33	Uttarakhand	2	2	3
34	Uttar Pradesh	3	6	12
35	West Bengal	2	5	6
	Total	66	86	170